

STATE OF NEW YORK

8670

IN SENATE

March 29, 2022

Introduced by Sen. BROOKS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law and the executive law, in relation to certain notices and services upon application for a mortgage guaranteed under the "Servicemen's Readjustment Act of 1944"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The banking law is amended by adding a new section 6-p to
2 read as follows:

3 § 6-p. Loan counseling for mortgages guaranteed by the Servicemen's
4 Readjustment Act of 1944. Every mortgage lending institution and mort-
5 gage banker which originates loans secured by real property used for
6 residential purposes located in this state which are to be guaranteed
7 under the Servicemen's Readjustment Act of 1944 shall provide a separate
8 disclosure form with each application stating that a veteran seeking a
9 housing loan under chapter 37 of title 38 of the United States Code has
10 been offered loan counseling services. Such loan counseling services
11 shall be provided by the division of veterans' services under section
12 three hundred fifty-four-f of the executive law upon request of an
13 applicant. The disclosure form required by this section shall be signed
14 by each applicant and shall include information detailing how to access
15 such counseling services.

16 § 2. The executive law is amended by adding a new section 354-f to
17 read as follows:

18 § 354-f. Loan counseling for mortgages guaranteed by the Servicemen's
19 Readjustment Act of 1944. Upon the request of any veteran, the division
20 shall provide counseling and assistance to applicants for a mortgage
21 loan guaranteed by the Servicemen's Readjustment Act of 1944. Such
22 service shall be provided either directly or through a contract with a
23 not-for-profit entity which has a Commercial and Government Entity
24 (CAGE) code assigned by the federal System for Award Management and
25 which is not owned by, affiliated with or operated by a mortgage compa-
26 ny. Counselors shall be licensed in this state as either a real estate
27 broker or a mortgage broker. Loan counseling and assistance shall

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD14376-01-2

1 include a review of the terms and restrictions of the loan, information
2 determined by the state director to be appropriate for a veteran seeking
3 a housing loan under chapter 37 of title 38 of the United States Code,
4 and any other information which may be required under federal law, rule
5 or regulation.

6 § 3. This act shall take effect on the one hundred twentieth day after
7 it shall have become a law.